
REPORT

TO: Members, City of Madison Transit & Parking Commission
FROM: Crystal Martin, Paratransit Program Manager
SUBJECT: Metro Paratransit Interests in TNC's
DATE: 2/11/15

Metro has been following the discussion on TNCs with an interest in the private provider market impacts Metro Paratransit services and community services at large.

A healthy network of private local providers serves Metro and the City by
Bidding on contracts to fulfill services
– providing competitive pricing

Provide service when the City/County doesn't

- Holidays
- 2nd & 3rd Shift
- short notice
- for customers who are ineligible for city/ county transportation programs
- beyond the Metro service area
- beyond ADA paratransit service standards, driver assistance, waiting time, etc.

24/7 service is necessary for inter-dependent reasons. It sets an equal cost baseline of service coverage for all competitors. It maintains a constant service availability so that all competitors doesn't cease operating during low volume times of day, or non-profitable days such as Sundays, Memorial Day, Labor Day, and Christmas Day.

Adequate insurance coverage is not clearly established. The TNC's have purchased insurance, but are the TNC Terms of Service precluding any payouts? The TNC's have operated long enough in Dane County that they would be able to establish whether any payouts have been made (details not necessary). Staff contacted Uber about whether it is possible to demonstrate that insurance claims have been paid.

Treating TNC's differently deemed not necessary. Two examples: (1) TNCs aren't just an app. You can buy apps at the App Store and the app provider makes money either from the purchase price or by selling embedded advertising. TNC apps go further than that. Their apps sell a service from which the company receives a share of the payment for services. It's more than an app. (2) For many years, an individual lobbied the TPC to operate a one-man cab company, Mike Roach. He was denied every single time for inadequate safety and supervision. TNC drivers aren't applying to license as individual companies. The expectation is that the drivers will have adequate supervision and safety precautions provided by the company (TNCs).

Possible State Legislation – The state has not been a good regulator of transportation companies or platforms. For example, the state NEMT brokerage is being audited by the Legislative Audit Bureau for fraud and failure to deliver service. The State Department of Health Services has failed to exact penalties or properly monitor the broker's performance. The broker – like the TNC's – does not provide transportation but connects riders to rides via their call center. State level issues to be addressed include: Workers Comp Insurance, Un-Employment Insurance Coverage, and Fuel Tax Refunds for public transportation vehicles.